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OBSERVATIONS

ON THE

WEALTH AND FORCE

OF

NATIONS.

By CHARLES M'KINNON, Esq.

The priſtine reminiſcence of juvenile jucundity.

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MVSEVM
BRITAN
NICVM

TO THE

MEMORY

OF

DAVID HUME.

"Say, ſhall my little bark attendant ſail?"

OBSERVATIONS, &c.

TO THE

M E M O R Y

OF

D A V I D H U M E.

OBSERVATIONS, &c.

Of Nations ſuppoſed to have no dealings with others.

THE expence, annual (for inſtance) of a nation, is ſupplied from its income during that period, and the ſavings of former years. Whatever a man believe to be the firſt, a few lines will hold his account of the ſecond.

Progreſs of Wealth.

If a man propoſes to make a piece of clothing, an ornament, or a weapon, he muſt lay in food to ſubſiſt himſelf while he is about it. If he employs another man to furniſh him any ſuch things, he muſt give him food, if he has it not of his own. What was once a luxury, is, in proceſs of time, held a conveniency, and may afterwards be held a neceſſary. Now, it is the ſame thing whether

whether a man gives another articles, or the food to ſubſiſt thoſe who make them.

Income Annual (for inſtance) *of Nations.*

THE firſt attempt worth mentioning to aſcertain this, was made ſome little time ago by Queſnai, firſt phyſician to the King of France. It has been ſupported by many reſpectable men. His opinion was, the in-

come of a country was its commodities, with this limitation, that artiſans added nothing to the national income. They did not produce the materials they worked on. The ſociety, therefore, received by their labour only one ſort of commodities inſtead of another neceſſarily conſumed in fabricating it.

The next is that of the ingenuous Doctor Smith, imagined, I believe, without any aſſiſtance from the Economiſts, though not

not publiſhed till very lately. It is, 'That the annual reve-
'nue of every ſociety is always
'preciſely equal to the exchange-
'able value of the whole an-
'nual produce of its induſtry;
'or rather, is preciſely the ſame
'thing with that exchangeable
'value.' For *rich* is the word by which we expreſs that a perſon or a nation has many commodities; and whatever opinion may be entertained of human capacity and ſteadineſs, few fabricate what is not of ſome uſe to themſelves or others.

A man

A man beſtows any income on any number of people: It will not be diſputed that the income he gives may be the ſame, whether they live in his houſe or not; whether they fabricate any thing for him or not: That he may get the ſame work done by them, whether they live in his houſe or not. Suppoſing, now, on the one ſide, that they are abſolutely idle, and, on the other, that they do more or leſs work for him: In this laſt caſe, he has, from any income, the ſame benefit as if, in the former, he had

had the ſame income, with as much more as would procure the work. Suppoſing a man gets any quantity of work done, and another gets the ſame work done for leſs income, this laſt is, for the time, in reſpect to the former, in the ſame ſituation as if he had as much more income as the difference of income beſtowed amounts to.

Suppoſing the income the ſame, and that work can be got for the ſame price, it will be

be held a matter of indifference whether the work is executed or not.

But who are the employers? What I have ſaid in the former Sect. leads me to think that all others are employed by the holders of the food.

If it is obſerved, that the more government takes from any claſs of people, the leſs it has for itſelf, and the leſs it can give others, it is of little conſequence

to

to a country, whether the government ſtates its income to be the food; or the food, with ſome articles held the moſt neceſſary; the whole produce of the land with the Economiſts, or even with Smith, the produce of 'all the lands and all the la-'bour.'

Hoards.

Food, clothing, lodging, amuſement, ſhow, war, medicine, and travelling, with the

inſtruments uſed in providing them, are all the commodities of any country.

In the following obſervations, I conſider the national income, the condition of the people, and the revenue of government, in nations where the labourers are free, and buſineſs carried on by perſons who advance their capitals. The reaſonings do not depend, in my opinion, upon the income of nations: I explained it at ſo great length,

not

not ſo much becauſe I believed it, as becauſe it ſhowed a method to ſtudy the ſcience.

Variations of the Income Annual (for inſtance) *of Nations.*

THE quantity of commodities in any country is greater or leſs, as the people are able and willing to produce. Their ability and inclination may be ſuch, that the wealth may go on increaſing, till it reaches its great-

eſt poſſible height; may continue long the ſame; may diminiſh for a long time; or a flux and reflux may take place; on the balance of which, in any period, it is found to have increaſed, to be the ſame, or to have diminiſhed.

Few, if any, are equally fit for buſineſs the whole time they continue in it. Some may know more, attend more than thoſe whoſe places they fill, and increaſe their capital; others may be

be only equal to their predeceſſors, and keep their capitals the ſame; others again, may know leſs, attend leſs, than thoſe who went before them, and are not able to keep up the capitals they received. Differences in the qualities of the labourers may alſo have an effect.

No art, once made public, is loſt, the danger, expence, &c. of which the employers are willing to reward, and the employed to riſk; diſcoveries are continually

tinually made; the capacity of men, as well as their knowledge, increaſes; and when men err in chuſing their projects, they uſually err on the ſafe ſide.

The increaſe in the production may begin from the holder of the food (for example) wiſhing to ſecure his ſubſiſtence, or get ſome particular article; or he who otherwiſe would not have exerted himſelf, is tempted by the articles the artiſan lays before him.

The

The narrower the competition in the ſale of any commodity is, it may be expected that thoſe who produce it are capable of leſs exertion; that they will exact leſs work from the labourers they employ, and be more indifferent about the quality of it: The labourers, therefore, are leſs ſkilful, dexterous, and leſs able to bear fatigue.

Men

Men may voluntarily produce leſs,

For fear of not getting ſale.

Finding, or preſuming, that a quantity of goods, ſold at a higher price, gives as much, or more profit, than a greater quantity ſold at a lower rate.

The uncertainty how much of the fruits of their labour they will be deprived of, the hopes of having warning for one, five, twenty

twenty years; the fear of quarrels: Theſe may affect their induſtry for ages.

Of the Labour of Soldiers, Menial Servants, &c.

If, inſtead of ten perſons, (for inſtance) twelve of equal ſkill, dexterity, and induſtry, are employed in producing commodities, there muſt be more produced; that is, in the view I place things, the difference, as

far as employed in ſome occupations, augments the income; employed in others, the income does more.

The income that ſupports perſons of ſuch occupations, will ſupport artiſans.

The increaſe in the production, will not follow immediately upon the increaſe in the number of hands employed in productive occupations.

It

It may happen, that there follows no diminution of commodities from even a conſiderable diminution of hands.

The national income may be the ſame, whether the portion of it laid out on perſons of ſuch occupations, be beſtowed on troops or footmen.

Cheapneſs.

MANY who would not give

twelve days labour for an article, would be tempted to exert themſelves, if it coſt but ſix.

Enterpriſe.

OUR daily obſervation, and the accounts we have of the different countries, defective as they are, entitle us to conjecture

That a nation may advance more quickly than ſome who muſt

must make exertions abſolutely greater; and that it may keep an even pace with others.

That a nation may go on equally with ſome whoſe ſituation is eaſier than its own, or or may get before others.

That nations whoſe ſituation is equal, may advance equally, or that ſome may get before others.

Where

Where the government is not mixed, and the competition is open, we may expect to find almoſt the whole of a nation of the one character, as far as the communication is open.

As European nations now are, I think increaſing the difficulties would retard.

Hoards-

Hoards.

COMMODITIES are employed,

As capital.

As income in producing commodities.

As income in rewarding unproductive labour.

People

People conſume the cloaths (for inſtance) they have; government its arms, &c.

It is well known to what a degree the droughts in rice countries, inſects in others, drift ice in Iceland, &c. render the reproduction of food precarious.

Government may put together its hoards of military ſtores in one year, (for inſtance) or gradually in ten. So it may any

any hoards of food it makes for armies, &c.

Of the Extent of Capital required to carry on National Buſineſs.

SUPPOSE two countries, of which the produce (for example) of the land, in the year (for inſtance) is equal; that, in the one, the whole is in one crop; in the other, in two equal crops; and that, in it, the

payment for the firſt crop comes in ſoon enough to carry on the cultivation of the ſecond. In the former, it is viſible that twice the capital is required to produce the ſame total.

I have not endeavoured to calculate how ſmall a capital may employ the artiſans of any country.

Suppoſe two countries, of which the ſales are equal; that, in the one, the accompts are paid

paid in ſix months; in the other, in twelve: In this laſt the merchants muſt have twice the capital.

Diviſion of Capital.

WHETHER the capital be divided among ten, or among forty men, ſo much of their profits as are not added to their capital, will equally give income to the people.

The former are more tempted to rival any ſuperior orders that may be in the ſtate.

The competition among the latter is ſtronger than among the former. From particular accidents, indeed, the competition among the ten may be ſometimes as ſtrong, or ſtronger, than among the forty; but we cannot expect this to happen often, or to continue long.

Of

Of Fixed Capital.

In incloſing a field (for inſtance) with a wall of ſtone and lime, more capital is diſſipated at firſt than if it is incloſed with dry ſtone; and more capital is diſſipated afterwards, in keeping up the laſt.

Shipping are a fixed capital, that coſt much in building, in keeping them up while they are worth repairing; and they are ſometimes totally loſt.

Diminution

Diminution of Money Capital.

It may be of great conſequence, what proportion in production is effected by fixed capital.

In Britain (for example) the farmer (for inſtance) can raiſe but one crop of corn in the year.

Suppoſe that there are ſome years to run of the leaſe of a farmer, (for inſtance) the fall in the price may leſſen his capital conſiderably,

conſiderably, before he gets ſuch a deduction in his rent as the change of affairs requires.

Money.

DAVID HUME, with the perſpicuity natural to his vaſt mind, has ſhowed, how an addition to the quantity of money increaſes the production of a country; and the bad effects of a diminution in the money. Dr. Smith has explained, how it acts in ſomewhat the ſame manner as fixed

fixed capital; and obſerved, that an addition of money is not more beneficial than an addition of commodities, if it does not put more induſtry in motion.

I propoſe to begin the compariſon of the effects cauſed by bringing more ſigns to ſale, with thoſe cauſed by bringing more conſumable commodities: Of the effects cauſed by a diminution of ſigns, with thoſe cauſed by a diminution of conſumable commodities.

All

All theſe may affect the fixed capital of the nation.

Few chuſe to let capital lie long idle.

Where the income is at its greateſt poſſible height, the commodity introduced, if ſold, can only hinder the ſale, or lower the price of others in competition with it: The effect muſt be the ſame, if it cauſes no production.

The addition of conſumable commodities cauſes production,

By keeping labours more employed.

By increaſing the labouring hands.

Cauſing exertion among undertakers, by lowering the price of commodities.

The production cauſed viſibly may be various; except from

from rash project, it cannot be more than the production sells for.

The addition may cause no production,

If it increase not the number of labouring hands,

If it employs them not more fully.

When sold to undertakers, it does not tempt a certain exer-

tion. Though it cauſes none one year, (for inſtance) if continued, it may.

The effect is the ſame, if it cauſes no production.

When the income is at its greateſt poſſible height, the addition of ſigns can only lower the value of the ſigns already in circulation.

The addition of ſigns cauſes production,

By

By the price of labour not riſing immediately in proportion to the addition.

The addition cauſes no production,

From falling into the hands of people unwilling or unable to effect it.

The production will go on, while an addition of ſigns procures more labour, which will be, till the proportion of ſigns

and

and commodities is the ſame, as among the other ſigns and commodities in the country.

The proportion, therefore, of the ſign to the greateſt production cauſed by it, is the ſame as that of the money circulating in a country, to the money price of all the commodities ſold in it: This may be various; but the quantity of money in every country is far leſs than the money price of the goods ſold.

A dimi-

A diminution of commodities cauſes a diminution of the production,

By leſſening the labouring hands.

When, in conſequence of the diminution, hands are leſs employed.

Relaxing exertion, by heightening the price of the commodities that would have been in competition with them.

The

The diminution cauſed may be various; except from caution, it cannot exceed its price in the commodities diminiſhed.

The diminution does not leſſen the production,

If it does not leſſen the labouring hands,

If there is ſtill enough left to employ the labourers as they would have been,

When it does not relax exertion.

The

The effect of the diminution of conſumable commodities here, is to heighten the price, or cauſe the ſale, of the commodities with which they would have been in competition.

The diminution of ſigns leſſens the production,

By the price of labour not falling ſo much, as that the ſigns remaining will employ all who were employed before. In this ſituation nothing can keep up

the price of labour, but the labourers being forced to pay a certain price for the commodities they purchaſe: That price may be ſuch as to cauſe a diminution in the number of labouring hands, greater or leſs.

The diminution of ſigns does not leſſen the production,

If there is ſtill enough left to keep all the hands employed as they would have been.

The-

The diminution cauſed may be various; it cannot exceed the production that would have been cauſed by the addition of the ſigns gone, to the remainder in the country.

It is obvious, that the progreſs of increaſe and diminution, however cauſed, may be regular and uninterrupted, or not; more or leſs rapid; and may take more or leſs time.

Money, whether metal, ſalt, or ſhells, is of ſo much ſurer ſale, that other commodities rarely perform the office of ſigns: I have not known one inſtance of it.

The increaſe of ſigns or commodities renders it eaſier to increaſe capital; the diminution renders it more difficult to keep capital entire, and may render it impoſſible.

Poverty.

Poverty.

A PART of the national income is deſtroyed, or its ſource ſtopped up; ſome propoſe to produce a leſs quantity of any commodity; cultivators, artiſans, &c. chuſe to employ fewer hands; in conſequence, more or leſs labouring people may be obliged to try new trades, in competition with thoſe eſtabliſhed in them, on whom they may encroach more or leſs. The

miſery

miſery or deaths which follow, have not, I believe, been aſcertained in any one caſe: There may be more or leſs. Though none may die literally of hunger, yet no ſmall number of grown perſons, and many children, may die of diſeaſes brought on by ſcanty or unwholeſome nouriſhment, bad lodging or cloathing; beſides, that diſeaſes owing to none of them lie heavier on perſons in ſuch circumſtances.

Slaves

Slaves may ſuffer leſs from this than free labourers.

Population.

It appears that neither the marriages, births, nor deaths, bear a fixed proportion to the numbers of men, nor near it: Nor do the ſexes bear an uniform proportion to one another.

A nation may have the ſame income with another more or leſs numerous.

Much

Much of the labour done in one country by cattle or machines, may be done in another by human animals.

Suppoſe any income divided among any number of people,

The income may increaſe, and their numbers remain the ſame.

The population may increaſe, while the income reſts the ſame.

Either

Either may diminiſh, while the other remains as it was.

The people may increaſe faſter than the income, and the income may increaſe faſter than the people.

The people may diminiſh faſter than the income, and the income may diminiſh faſter than the people.

Both may increaſe or diminiſh equally: Both may ſtand ſtill.

In all the countries we know, almoſt every man would, from one motive or other, marry, * if he thought he could have what is, in the ideas of the times and country, a ſubſiſtence for his family.

Surely the income may diminiſh ſo far, as that fewer can rear families.

Where the income has been for ſome time the ſame, it is probable

* Conſider the caſe of the Lazeroni at Naples.

probable moſt of the people have ſmall portions; perhaps ſtill more generally in ſuch as are far advanced in the arts: In theſe, the women may earn more, and the children earn earlier.

Of the Revenue of the Government.

GOVERNMENT may take any article from thoſe who have

produced it, or from thoſe who have got it of them.

Whatever part of the income of any claſs of people government takes, the claſs has the leſs for itſelf, and the others can get the leſs from it.

Government may either give away the whole again among the people, or hoard a part. However great the portion government takes may be, the income of the nation may ſtill remain

main the ſame: Though it may buy dear, or ſell cheap; yet thoſe into whoſe hands it gets through government, may be as able and willing to take care of themſelves as other people; but, as it may not beſtow its income on thoſe it came from, individuals may ſuffer greatly.

Many are ſurpriſed, that a man of any moderate underſtanding ſhould not obſerve, that income would circulate through the nation from the hands of the

ſub-

ſubjects, as well as from thoſe of the prince; and that the outlays of the prince would circulate as well, if beſtowed on canals and highways, troops and military ſtores, as on palaces, gardens, and agreeable attendants. Such has been the progreſs of man in every inquiry of fact and exiſtence.

As ſoon as additional rent can be afforded, government, in ſome caſes, no doubt, ought to take it; in others, it ought to abſtain for a longer or ſhorter time.

Where

Where the ſubjects know not how much of the produce of the land (for example) government ſhall exact, ſome may enterpriſe in hopes of defrauding the government, and are diſappointed; the national income of the year (for inſtance) may not be leſſened by their enterpriſe; their capital may; the diſpute may coſt government ſomething; and the example may leſſen the ſcandal attending injuſtice and fraud, where government is concerned.

An

An exciſe on a commodity may be a tax on the rent, on the tenant, on the producer, on the labourers employed in producing it, or on the conſumer, as accident determines. Labouring perſons are the leaſt able to hold out in combination, from their poverty and their numbers.

It may happen, that the ſalary paid to working people, tho' perhaps not the price of labour, is by ſuch taxes raiſed ſo, the national

national income not increaſing faſt enough, that for ſeveral there is but a ſcanty ſubſiſtence, and for ſome none.

Laying an exciſe on a luxury may cauſe leſs of it to be produced; but, it has been obſerved, that moſt men are not induced to quit their country but by very great difficulties. Such a tax may retard the advances of a country, by raiſing the price of the article; for what does not allure one, may allure another.

Even in countries which have not reached their greateſt poſſible height, if, inſtead of laying on the whole in land taxes, a large ſum were laid on luxuries, I believe that the ſmall proprietors would almoſt always, in the courſe of a life, have more to themſelves, after paying what they choſe of the exciſes.

The greater portion each perſon has of the national income, the more government can take from him. A tax on the neceſ-

ſaries of life will hinder people from breeding, if high enough.

Suppoſe a nation has an annual income, which we ſhall phraſe twenty millions. Suppoſe another nation of only half its numbers; but which, by ſuperior art or induſtry, has the ſame income. Suppoſe in both the income at its greateſt poſſible height, keeping war and peſtilence out of the queſtion.

Perhaps, by laying a poll-tax in ſmalls, by the week, (for

inſtance) a conſiderable ſum might be got, without much oppreſſion, of the moſt thoughtleſs; at worſt, government might make uſe of it, to get at the income of thoſe who would not conſume the commodities it choſe to tax.

Of Bounties, Regulations, &c.

It may happen, that the induſtry of ſome part of the people is employed in objects leſs

leſs beneficial to themſelves and the ſtate.

In any art, uſeful methods may be known in one province that are not known in others; they may be borrowed from foreign nations; diſcoveries may be made: Theſe, however valuable, may be adopted but ſlowly. I do not know whether men will ever be able to prove that the ſkill of any country is ſuch, that more cannot be done.

Some

Some men, had they capital, might accompliſh deſigns, which would, in more or leſs time, replace to government an outlay.

The intereſt of no one claſs of people is neceſſarily the ſame with that of the ſtate. The produce of a piece of ground may be as 20, leaving a profit of 10; or it may be as 16, leaving a profit of 9: The buſineſs of fiſhing may, in ſome degree, admit ſimilar variations; the artiſan may have profit in his buſi-

buſineſs, 10 or 15, as he manages it; production may be effected by machines and cattle, or by labourers paying taxes; while the national income has advanced (for inſtance) a ſeventh, the population has advanced a fifth, and the employment of the labourers leſs ſecure.

A queſtion will, on theſe views, occur, what government may gain by beſtowing money, or by penal regulations?

The

The more ſimple the inquiry, the more honeſty and ſimplicity are in the character of the ſubjects; the leſs any change propoſed croſſes their ideas of their own intereſt, or their vanity; the leſs the government is diſturbed by parties, the leſs vigour is required in adminiſtration.

The outlay may be raiſed from ſo many, that each ſhall not regard what he pays to it.

Giving the aid in one ſum may often be very proper; go-

vernment

vernment may give only what it pleaſes; but perſons of the beſt intentions may fail often in their projects; government may be impoſed on, and many may enter more haſtily into bad ſchemes, or indulge themſelves in pernicious expences, from hopes of having a conſiderable part, if not the whole, of their outlay replaced by government.

On theſe accounts, it may often be thought proper to give the aſſiſtance according to the

quantity produced, however great that be. Hurt may follow from diſcontinuing the aſſiſtance given in this manner. The weakneſs or corruption in the government may increaſe ſo far, that this too may be given to ſuch as have not laboured for it.

Government is ſtill more expoſed to miſtake, in endeavouring to diſcover what chance it has of changing the direction of national induſtry, and how much

much it ought to lay out on ſuch views: It can more eaſily diſcover whether the change propoſed is beneficial, at leaſt to ſuch a degree as to make it proper in it to venture.

Premiums are given merely for diſcoveries in the arts; the expence of them is ſuppoſed to be a matter of indifference to the ſtate.

Such, however, has hitherto been the frame of man, that, if

a rule were to be laid down over the whole world, for ages, there is no room to heſitate a moment in deciding, that government ought to interfere no farther than to give its ſubjects ſecurity in their property; all the confidence poſſible, that they ſhall enjoy the fruits of their labour; prevent all reſtraints on competition in the production; make theſe works that private perſons would not, or could not do, as roads, canals; and reward diſcoveries in the arts.

The

The more profit any perſon makes in his buſineſs, the more government may get from him; on the other hand, the wider the competition, the more each man ſtrives to produce as much as he can, as good as he can, and as cheap as he can. Cheapneſs may, beſides giving the government, by different ways, opportunity to increaſe its revenue, make the revenue more valuable.

About a century ago, pecuniary encouragements were offered

fered in France to marriages contracted ſo early as twenty years. A man who had a wife and the proſpect of a family, may be expected to exert himſelf more: When the young ones born in conſequence are grown up, the fall of labour, from the greater number of labourers, and the invention of theſe more quickened, enables the undertaker to execute more project with the ſame capital. If many marriages followed in conſequence, there muſt not only more children of the poor

die,

die, but a greater proportion of them, if the increaſe of exertion of the parents, and the aid of government, did not prevent it. The aid here was an exemption from a pernicious tax; a ſmall ſum, not a reaſonable encouragement to marriage.

Where the aid is given to ſuch as would marry without it, as well as to thoſe who would not, which was done here, there is no reaſon to expect that the benefit will compenſate ſuch an outlay,

outlay. To diſcover all, or nearly all, who would not marry without the aid, is perhaps the inquiry, of all others, in which government has the leaſt reaſon to expect ſucceſs. As France then was, it is probable that even the vigorous adminiſtration of Colbert was no way equal to the taſk.*

A caſe may be ſuppoſed, in which people ought to be had, in

* I have ſometimes ſuſpected that this edict was only a ſtroke of court addreſs.

in caſe of wars or contagious diſtempers. I know no country in which it has been proper to lay out any thing on that account.

Of Foreign Trade.

I ſtate, on one ſide, the claſs of artiſans, and, and on the other, thoſe who ſupply every article of expence that itſelf does not make.

It is more advantageous for government to have both ſides of the exchange in the country than only one. It can chuſe where to lay its taxes; whence to levy its troops; even the command of the greater number of people for this laſt uſe, may ſometimes be of the utmoſt conſequence.

Caſe Firſt.

THE exchange of commodities produced by either claſs in one

one nation, for thoſe of the ſame claſs in another.

Caſe Second.

EXCHANGE of the artiſan commodities of one nation for thoſe of the other claſs of a ſecond.

The demand for the commodities of one may be more ſteady than for thoſe of the other.

The commodities of the one claſs may be of more uſe at home, upon a ſtagnation, than thoſe of the other.

On a rupture, the effect of the greater command of neceſſaries may be great: Government can always find people able to make arms.

Either may come to have both ſides of the exchange, within itſelf, ſooner than the other.

It is better in the monarchies of Europe, and even in the greater republics, to tax rent, than profit of capitals.

Artiſans within a country have ſuch advantages which foreigners have not, that they cannot fail to draw to themſelves, in the end, any buſineſs they aim at, if the country produces the materials they work on. In the great nations of Europe, the national income is increaſing; taſte changes continually;

nually; novelty pleaſes. Some commodities, and the materials of ſome manufactures, are confined to certain countries by climate; the weight of correſpondence, ſtock, and ſkill, is great; ſo that foreigners ſtill ſell much to all of them, and would ſell more, if they were not reſtrained.

Caſe Third.

THE above, with what I have ſaid on mines of money metals, in

in my remarks on the home trade, ſhow all I have to ſay on the money balance.

Reſtraints on Importation.

PEOPLE who muſt ſtruggle through a great competition to make money, will be leſs apt to throw it away than thoſe who ſee they have few rivals.

Bounties

Bounties on Exportation.

THE bounty may lower the money price of a commodity.

More of it being produced, the exportation, and the apprehenſion of it, having leſs effect than the greatneſs of the quantity brought to market. I have heard no proof of a ſingle inſtance of this, though it muſt have happened.

The

The increaſe in the production may be cauſed,

By drawing capital from other employments. When intereſt is given for loans, (*i. e.* almoſt always) nobody keeps his money in his deſk.

Employing as capital, circulating or fixed, what would have been employed as income.

By exerting more ſkill or induſtry.

It has always been propoſed to give this bounty on the production, no matter how produced; it therefore tends to improve methods, no more than many other equal ſpurs to induſtry.

If the production is cauſed merely by force of capital, and the price of the commodity is lowered, the capital may, ſooner or later, be leſſened; and continually leſſened, till it be diſſipated.

Will

Will the production cauſed by the money balance gained by the bounty, often make up to government the revenue it coſts?

Many will exert themſelves for the forced, that would not for the natural price. Others will be confirmed in their inactivity and bad methods, by the greater probability of ſale.

People go moſt readily into the employments that are neareſt their own, as the farmer into

the gardening, the weaver in wool into weaving flax.

Regulations on importation and exportation may hinder variations in the price of a commodity: Bounties on both hinder leſs ones: To diſcover when the advantages of ſuch bounties compenſate the expence, and what expence, requires nice information indeed. It may ſafely be affirmed, that not a man in Britain has ever poſſeſſed it in any one caſe.

Compariſon

Compariſon of the Foreign and Domeſtic Trade.

LESS time is required to bring in the returns in many branches of the foreign trade, than in many of the domeſtic; but more time is needed generally to bring in the returns when the ſale is made abroad, than if it had been made at home.

It is better for a nation to have the ſame amount of em-

ployment,

ployment by people within the country, than by foreigners, as the employ is exposed to fewer causes of failure.

II.

Obſervations on the Force of Shepherd Nations againſt the ſtanding Armies of Nations farther advanced in Society.

I.

We may expect leſs patience in ſhepherds than in the others, and alſo leſs acuteneſs in their deſigns.

II.

II.

Methods of fighting abandoned on the beſt grounds, may have great ſucceſs for ſome time, becauſe the manner of oppoſing them is forgot; but, when one of theſe has had ſucceſs much taken notice of, an effectual way of oppoſing it, it is ſooner or later found out; in proceſs of time it is diſcovered that the method of fighting muſt be varied more or leſs, when the methods

thods made uſe of by the enemy are different.

It is probable that barbarians will be found leſs liable to panic, except thoſe riſing from ſuperſtition, than civilized troops; particularly from being oppoſed by methods unknown to them. In courſe of time it is found, that exerciſe before the war, and patience in the beginning, will prevent the panic.

Attempts openly made will ſucceed often, even with ſhepherds, from the very idea of the boldneſs neceſſary to make them. It is diſcovered that troops whoſe minds and limbs have been occupied on theſe, will eaſily diſappoint them.

A ſtanding army, which never has ſeen the face of an enemy, may often do great things, merely becauſe they do not know but that they are done every day.

It is allowed, that fortreſſes are of no uſe but to hold magazines, command roads, rivers, canals, or make it eaſier for armies to command them; the expence beſtowed on feeding them muſt be great indeed, and improper, except from the view of foreign aid, if they can hold out long, after the country is ruined.

III.

Hunting nations, when they can be truſted, are by far the

beſt ſcouts. A civilized nation might make great uſe of ſhepherds, particularly riding nations, to lay waſte an enemy's country. If the Ruſſian court apprehended the loſs of much power or territory, it would, without ſcruple, let looſe their Coſſacks, &c. What devaſtation could the peaſants of Germany do, in compariſon to theſe, under the direction of Ruſſian officers?

IV.

IV.

War, as other arts, is continually improving; the capacity of men is ſo too. Yet, from the good ſenſe, humanity, love of quiet, averſion to fatigue, ſelfiſhneſs, fear of encountering dangers which are new, the want of epidemical paſſions, and of blind prejudice in favour of one's ſelf in its people, a nation in the laſt ſtages of ſociety, may be conquered, province by province, or perhaps even at once,

by

by any ſhepherd nation that chuſes to attack it. No art, by which a reward of wealth, rank, or fame, proportioned to its difficulty, &c. is not gained, will be followed by many. There ſeems to have been a progreſs of fraud in the management of the pecuniary intereſts of government.

Among people ſo warlike and active as the Europeans, chivalry muſt have retarded the progreſs of civilization; it added

to

to the cauſes of war, * and of diverting from luxury people little addicted to literary amuſements of any kind.

* The hurt of private war is well known.

A par-

A particular Caſe.

It has been ſaid, that the Pruſſian empire is upon diet; that the Britiſh empire is in that ſtate in which the phyſician allows his patient to do what he pleaſes, will be held by many of thoſe who conſider all the circumſtances of its condition.

There is no harm in my printing an inquiry, whether a ſcheme be not the beſt that a bad ſitua-

tion

tion allows. It is, to drop the fleet. We are at war with a combination far ſuperior to us in power. Though by the whim of human affairs we ſhould get out of this, with little or no loſs of territory, we muſt expect to be ſoon in war again. War adds little to our taxes; our country is not the ſeat of it; we are republicans, cut off, in ſome meaſure, from the world; no wonder if we are readier to enter into war than any other people. The

wars we have begun, merely to get a choice of markets to ſell goods, are well known. The expence laid out by the French and Spaniards on their fleets, ſhows they are reſolved to defend their colonies, and makes it probable they will perſiſt for ſome time in ſchemes depending on naval force. Have we any title or reaſon to expect that they will leave us any thing they think themſelves at liberty to take?

The grandeur of the French monarchy ſeemed to diſpenſe it from the precautions neceſſary to other powers: But may not a miniſter ariſe, who will ſacrifice connection enough to give the monarchy the effect that its wealth, and the character of its ſubjects entitle it to?

It is more difficult to form troops in Britain than on the Continent; and the diſpoſition of Parliament, the army appearing leſs neceſſary to us, led mi-

niſtry to make uſe of military command as rank and penſion.* When the army was more neceſſary, ours might be little inferior to thoſe of our neighbours: The country could now maintain a great one.

It is probable that few capitals would quit the country. In ſome

* In the late trials of the two Admirals, the fleet, after every allowance to be made for party, and for newſpaper manœuvres, made an appearance that was little expected.

ſome countries, the rank of a merchant is leſs honourable, as is that of a ſubject who has no power at court; many would think a ſubject of the Britiſh government a higher condition than the ſubject of a ſimple monarchy; in others the profits are leſs, and they would have to contend with abilities more ſharpened than their own; in others no more ſale than at home; in all they would be ſtrangers, and in ſome find their countrymen their competitors; ſtock could

could no where be ſo eaſily managed as at home. Some capitals would perhaps be taken or forced out of the ſhipping buſineſs with loſs.*

Reſtraining Ireland made the employ more certain: The Iriſh could buy more ſoon after the reſtraints were taken off: Few have have full grounds to gueſs whether

* On the different employments of capital, on foreign trade, and money, I refer to what has been ſaid by Hume, Smith, and above. As to the reſt, thoſe who entered into ſuch trade as we were in, would one way or other make room for us.

whether they would buy more from us or not, except court dreſſes, which the ſovereignty of the King would ſecure. How far the influence and example of the court would extend the conſumption of Britiſh dreſſes among the middling claſſes of people, not many have a title to conjecture.

The exportation of ſhips, iron, &c. from America, would probably not be reſtrained.

The

The other commodities we get from the Colonies and the Eaſt Indies are ſuch, that, even in this country, the influence and example of the court would limit the uſe of them to very narrow bounds, without any regulation. If ſuch as our country did not produce were entirely prohibited, a very moderate exertion would hinder any importation worth noticing. The muſlins, ſugar, &c. ſold us by foreigners, would ſurely be as proper a ſubject of taxation

as the ſugar, &c. ſold us by ourſelves. If drawbacks were then given, it would be for reaſons on which no ſtreſs is laid at preſent. We ſhould then have a wider market to buy moſt of theſe commodities in, and in no caſe a narrower.

From the ruins of the Mogul empire powerful ſtates have riſen; war is improving in the country, which, beſides, has been long poliſhed. It cannot be expected that the diſtance of

India ſhould not affect deeply the condition of the people, and the management of the revenue after it comes in. The bulk of the Whites, and ſome natives who were in favour, or expected it, might, perhaps, for a long time, prefer the diſtant government; it is more certain, that almoſt the whole of the natives would prefer an independent one in the country, even a White and a Chriſtian one.

Accord-

Accordingly, the military force ſent over, has always been ſmall, and ſent by ſtealth.

Leaving the territories in the hands of the Company, government might draw ſome money from it, and reward ſome ſervants, by giving them or their friends, places in the country; taking them into its own hands, it could reward many more, and draw more money, or the ſame money with leſs oppreſſion, as its management would probably

be more vigorous than that of the Company; threatening to take them is a middle way. When government had more to give, its ſervants would crave more. How much would the high price be lowered, when the fund which afforded it was greatly leſſened, or loſt?

Without any diſſertation upon the quadrille party on the Continent, it will be allowed, that there is no occaſion for our interference to ſtop any preponderating

derating power: When there ſhall, the more reſt we have, the more we can do.

The longer it is deferred, the more our burthens are increaſed.

The increaſe of the national debt may lead the people to wiſh for monarchy, as the only chance they have of getting rid of it.

Confined to Britain and Ireland, the ſituation of the King would

would be more enviable than that of any monarch in Europe.

If undertaken, it would be eafily executed.

Why not undertaken, and that immediately?

* * * * *

Hic multa deſiderantur.

When I read the within, I am tempted to think, that I too

am

am a painter; but, when I conſider that expectation has been analyſed, I relapſe into my natural ſcepticiſm, and reſt ſatisfied, that, of all ſafe things, heſitation is ſtill the ſafeſt.

MVSEVM
BRITAN
NICVM